

**Bureau for Europe and Eurasia**

**Program Officers Conference**

**March 6 - 8, 2002**

**Conference Proceedings**

**Contents**

**Conference Proceedings**

**Conference Agenda**

**Conference Participants**

## **Introduction**

From March 6 - 8, 2002, Program Officers from the Bureau for Europe and Eurasia met together in Budapest, Hungary to discuss matters of common interest. This was the first meeting of E&E program officers since December 1995. Reflecting the importance of all program office staff to the work of the Bureau, E&E Missions were represented at the conference by key foreign service nationals in the respective program offices as well as US staff.

The first day of the conference was primarily devoted to furthering a common understanding of the influences affecting strategies in the region, including a review of country progress in the transition, US foreign policy interests, and administration priorities. This was followed by a reexamination of the appropriateness of the E&E strategic framework given these influences.

The second day of the conference was devoted to lessons learned in the field on strategy development, activity approval, performance monitoring plans, and the use of teams. This day ended with three discussion groups on areas of cross-cutting interest: conflict resolution, anti-corruption, and evaluation.

The third day of the conference was highlighted by an address by E&E's Assistant Administrator, Dr. Kent R. Hill. The day also included sessions on the budget process and reporting and concluded with an open discussion of various matters related to Washington- field relationships.

Forty-nine program office staff as well as staff of the Regional Services Center in Budapest attended the conference and heartily endorsed more frequent meetings. This is the report of the conference proceedings.

## **Acknowledgement**

Special thanks to Hilda Arrelano, Director of USAID's Regional Service Center, for serving as host of the conference and to Aniko Varadi, RSC, for ensuring that all conference arrangements in Budapest exceeded every expectation of conference participants.

## **Day One, Wednesday, March 6**

### **Welcoming Remarks**

Hilda (Bambi) Arellano, Director, Regional Service Center, Budapest

In her opening remarks, Bambi welcomed the participants to Budapest and set the tone for the conference by saying:

“There is no more important function than the Program function, because as funding gets tighter, Program Officers have to keep people on task by asking the tough questions – Are programs strategically focused? Are we managing well with limited resources? If we are not, then “programs will be scattered, can’t reach their objectives, and will be unable to achieve results.”

She also stressed the importance of having the Foreign Service Nationals (FSN) and Foreign Service Officers (FSO) together at the conference because “it will make the Program Office stronger.” Finally, she challenged the group to make recommendations for ways that Washington, the Regional Services Center, and your own mission directors can provide better support. “We will structure our support to you, based on what you tell us.”

### **Conference Overview**

Dianne Tsitsos, Director, and Sherry Grossman, Deputy Director  
E&E Office of Program Coordination and Strategy

After a warm welcome to the participants, Dianne stressed the importance of the conference, the first in six years, and acknowledged the strong field support for the event. Since the last Program Officer’s Conference in 1995, “A number of changes have created challenges for us, including the changes in the region, the way in which countries have changed, our understanding of the transition, - and the Bureau, as we know, has changed, and this creates challenges for us.”

In light of these changes, the overall goal of this conference was to “define a common frame of reference for our program.” The various sessions during the three days would provide an opportunity to reflect on our goals and objectives in light of performance, foreign policy, and budget trends; share lessons learned from the field on key programming elements (strategic planning, activity approval, performance monitoring plans, and teams); hear from our new AA, Kent R. Hill regarding his program priorities; examine the budget process; and discuss Washington-field relations.

Sherry reminded us that the way we do our business has changed in response to the changes noted by Dianne. At the beginning of the program, the strategy was done in Washington and projects were implemented in the field, often using a common approach through regional programs. Our foreign policy goal was to ensure that the countries remained independent, that the region outside Russia was free of nuclear weapons, and that the economies were jump-started. New foreign policy objectives – anti-terrorism and conflict mitigation – have emerged. Also, we are seeing in the new strategies, that new goals and a new generation of objectives are emerging.

Thus, Wednesday's sessions focused on the economic and social trends in the region, accompanied by a challenge to examine the economic and social trends and ask the hard question, "Why are they happening?" The objective for the day was to consider the changes in the region, and achieve a consensus on our goals and objectives for the next five years, based on a review of our Strategic Framework, the foreign policy environment in which we work, and the reality that budgets for the region are declining.

### **Country Progress in Central and Eastern Europe (CEE) & Eurasia**

Presenter: Ron Sprout, EE/PCS

Ron Sprout presented regional trends in economic and democratic reforms, and macroeconomic and social conditions, based on the analysis from E&E/PCS' annual *Monitoring Country Progress in CEE & Eurasia*. The "transition story" is relatively simple on the broadest level of analysis. Two multidimensional transition paths exist. The "western" path, found largely among the northern tier CEE countries, is leading towards a transition end. No country has completed the transition, though Hungary comes closest. The "alternative" path is found primarily among the Eurasian countries. At best, the transition laggards of Eurasia may be decades away from the northern tier CEE leaders; at worst, the two transition paths may never "meet." Not all the experiences of the 27 transition countries neatly fall into these two transition paths, and, in fact, the evidence is much more mixed in this regard in most of the southern tier CEE countries.

Much of the presentation focused on efforts to measure the different dimensions of these divergent transition paths, including

- trends in economic and democratic reforms,
- macroeconomic performances,
- integration into the world economy, and
- social conditions.

The most salient among these findings are:

- (a) Democratization gap: The historic progress in the northern tier CEE in democratic freedoms is compared to more recent catch-up in the southern tier CEE, and striking decline in most of Eurasia since the transition began.
- (b) Macroeconomic performance: While economic growth has been relatively robust in recent years across the transition region, the Eurasian economies still lag considerably in terms of the size of the economies today relative to pre-transition GDP. In addition, the private sectors in Eurasia are much less competitive than in CEE.
- (c) Integration into the world economy: Eurasian countries lag in terms of the scope of global economic integration (i.e., their economies are relatively autarchic and have global integration profiles closer to some developing

countries than OECD countries). Eurasian countries also lag in terms of the "quality" of global economic integration. For example, they are much more dependent on primary product exports (in energy, metals, and/or cotton) and are still overly dependent on the Russian market for exports.

- (d) Social conditions: Income inequality and poverty rates in much of the northern tier CEE countries are closer to OECD norms; in Eurasia, inequality and poverty are much higher, and closer to standards in Latin America and Africa. Many social trends in the northern tier CEE (life expectancy, education enrollment rates, infant mortality rates) are favorable, and improving; this contrasts widely with such indicators in Eurasia.

In some dimensions, the southern tier CEE countries seem to be catching up to the northern tier CEE graduates, particularly in reform progress. In other dimensions, however, such as global integration and on some social conditions, many southern tier CEE countries take on characteristics closer to Eurasia.

These divergent transition paths may have different programmatic implications, that is, the political economy of reform may differ between the two. While there seems to be consensus regarding what needs to be done, it may not be at all clear in the case of many of the Eurasian countries in particular, how these policy prescriptions might be implemented. At the heart of this may be the contention that vested interests (or the "winners" of the partial reforms) in Eurasia (and possibly in some southern tier CEE countries) now have little incentive to move the transition forward.

Even USAID's graduate countries have far to go on some scores before they reach Western European norms. Moreover, progress in reforms tends not to be linear. Hence, extrapolating the future from existing trends can be precarious.

The presentation generated an enthusiastic discussion, and a number of questions. While the broad trends are clear, the credibility of some of the more disaggregated data was questioned. What are the causes for the differences in the trends across the three regions? What do the various trends mean for USAID interventions?

More specific issues addressed in the discussion include the following:

2. Using Albania as an example, Jim Bonner noted that many of the problems appear to be fundamental development challenges, not transition problems and hence may need a basic development approach. In some countries, the challenges would seem to be a combination of development and transition-related issues.
3. Economic reform has not always translated into improved quality of life. Yet, while deteriorating social conditions in many countries have been widely recognized, the State Department is trying to graduate countries from USG assistance. Have we begun to deal with the social conditions too late? Is the approach shared by many observers that economic and democratic reforms should hold priority over improving social conditions flawed?

4. Except perhaps for a few countries, the transition is taking much longer than most observers had anticipated early on, and certainly longer than expectations implicit in SEED and FSA legislation. Do we need to be concerned about a critical mass of people to support the reforms? In some countries, such as Macedonia, there is also a critical shortage of leaders to implement the reforms.
5. What might be added to the MCP analysis? For example, it might be useful to more explicitly map reform progress with conflict, geography, as well as with macroeconomic trends. Why is it that some of the slowest reformers are now experiencing some of the highest economic growth? What is the relationship between economic and democratic reforms, in the short and medium term, and does this relationship differ between subregions? What is the correlation between the political process (including competitive elections and regime turnovers) and other reform aspects?
6. How can we better use these data and country progress trends to affect USAID's resource allocation decisions? What impact does the MCP report have on people who control the purse strings? Dianne Tsitsos noted that the State Coordinator is using the data to help make decisions. Sherry Grossman suggested that we need more country-level analysis in the strategy review process so we can better explain our need and use of resources. Moreover, there is an upsurge in interest in the use of analysis from the E&E front office.
7. While many agreed that we need to look for alternative solutions based on the aforementioned country progress trends, there was not an overwhelming consensus to retool USAID's portfolio.

### **Panel on Foreign Policy and Administration Priorities**

Presenter/Moderator: Dianne Tsitsos, EE/PCS

Panel Members: Skip Waskin (PPC), Babette Prevot (CAR), Earl Gast (Caucasus), and Ivanka Tzankova (Bulgaria)

Dianne began the panel presentation by reviewing the major factors affecting US foreign policy. Skip Waskin talked about the USAID Administrator's priorities. Babette, Earl, and Vanya described how the events of 9/11 have affected their individual mission's programs.

Foreign Policy Factors: Dianne noted that President Bush made a commitment to our region but the nature of the commitment changed after 9/11.

- The US has a new policy with Russia, due to new leadership and directly because of 9/11.
- Tajikistan and Uzbekistan have assumed a new level of importance.
- On the SEED side, the US is seeking a stronger European role in SE Europe, as the countries need to focus on integration to Europe.
- Most recently, the changes, rising levels of instability and lessening of hopes of peace, have led to troubling concerns in that area.

## Key Areas of Interest for the USAID Administrator

Skip explained the Administrator's priorities given the shifts in foreign policy, the challenges of globalization, the focus on anti-terrorism and challenges to our security, and funding shifts. Ultimate success depends upon connecting the developing economies to the global economy, so the focus remains the three pillars, which he stressed in the CBJ.

Andrew has six building blocks of development, three are of which are of particular interest to EE programs. These are:

- Promote investment and trade.
- Good governance,
- Stabilizing the front line states of Central and South Asia

Also of importance is using the Global Alliance for Development as a tool to achieve this.

From the Missions' view, the events of 9/11 and later affected the program somewhat in Bulgaria and considerably in CAR and the Caucasus. Earl took the events as an opportunity to review the entire program. The US interests remain the same: to build a market economy. We are continuing to build a nation state, but a confluence of factors is leading to a change in our strategy with two broad objectives:

- Create stability in Georgia and
- Try to rebuild a democratic coalition

Babette noted that the largest impact is the increased funding levels. Each country is affected differently: travel restrictions are eased for Tajikistan and may make programming easier; Uzbekistan has increased funding due to its key position in the anti-terrorist campaign; Kazakhstan raises the question, if changes don't come in the democracy area, will investment in oil continue? Babette said the increased funding raises the question of the resources needed to program the money and she underscored the need for support from Washington. Finally, she cautioned against stereotyping the countries, as the CARs are not a totally Muslim culture.

Vanya described a post 9/11 environment of heightened concern for security issues, emotional stress and confusion that affected the work. On the program side, however, there were no major changes in program priorities. There was some fine tuning of activities to make them directly respond to the priorities of the Administration, such as targeting the conflict assessment to potential groups in Bulgaria. However, the changed foreign policy priority towards anti-terrorism has had a tangible impact on USAID's program in terms of the length of time USAID will be in Bulgaria.

A vigorous debate ensued about USAID's strategic response to increased funding for the anti-terrorist campaign. Among the issues raised were the following:



- Should USAID turn down money if it can't be used for AID's goals?
- Are the strategies holding up, or are we putting round pegs into square holes?
- Without a shift in staffing priorities, we may not be able to get the job done. Missions receiving substantial increases in funding "need experienced people now, not two years from now."
- Can/are we in DC providing enough support to the missions receiving the extra funds?
- The differences between the approaches at the State Department and USAID severely impact our work. AID has a 5-7 year strategy; State has a shorter term approach.
- The field needs support from Washington and especially needs info on the reorganization. The field expressed the concern that "the reorganization and sending technical staff to the pillar bureaus will affect our ability to respond quickly."

### **Implications for the E&E Strategic Framework**

Presenter/facilitator: Catherine Balsis

Purpose of session: to collectively reflect on E&E goals and objectives in light of morning discussions on performance trends, foreign policy interests, and key priorities of the Bush Administration. The session began with a plenary in which the origins of the E&E Strategic Framework and funding trends were reviewed. This was followed by working groups on cross-cutting concerns and the three strategic assistance areas that considered whether the framework should be modified.

#### **Key points from Main presentation**

Historical antecedents to the E&E strategic framework included the quick start-up of the program without a strategy leading to hundreds of activities across the region aimed at targets of opportunity in the economic and democratic transition; GPRA and concomitant push from OMB to define objectives and performance measures; the 1995 list of 12 strategic objectives and further refinements resulting from the program assumptions exercise and development of the E&E social sector strategy in 1998/99.

Sector and SO funding trends: While economic restructuring programs have generally captured the lion's share of resources in the past, this trend is changing. Planned obligations for democracy programs in Europe surpass projected funding for economic activities in 2003. The proportion of funding for democracy and social transition programs in Eurasia has been increasing incrementally since 1998. SOs 1.3 (private enterprise) and 2.1 (citizen participation) have dominated the SO structure in economic restructuring and democracy, respectively. Funding trends among the SOs in the social transition area are less clear. Health initiatives (SO 3.2) in Eurasia have been dominant since 1999. Funding for SO 3.4 (mitigating the adverse impacts of transition) increased sharply in Eurasia in 2000 and is projected to dominate social transition funding in Europe during the coming year.

## Summary of Notes/Presentations from Working Groups

Cross-cutting (note takers – Nadia Mikhnova and Chris Edwards; presenter – Bill McKinney): It was generally agreed that a cross-cutting theme represents a critical hypothesis to achieving other strategic objectives and that it needs to be addressed by more than one SO.

Major cross-cutting issues in the E&E program include: corruption; trafficking; terrorism; conflict; equity; lack of rule of law; youth; under employment; education and human capital; pension reform; multiple governing entities (centrifugal political forces); and gender.

Of these, the most critical themes for the E&E program are anti-corruption; conflict mitigation/prevention (including equity, ethnic harmony, and minority rights); rule of law; and education and the “brain drain” of youth.

The group viewed cross-cutting themes as the invisible line that connects other issues and objectives. Consequently, they are embedded in a variety of activities and cannot be treated as separate SOs in the E&E menu. The outstanding question was how to deal with cross-cutting issues from an organizational or management perspective. By their nature, it is not always easy to track the money and results related to cross-cutting themes. They are harder to quantify and attribution in reporting is difficult. Missions need to view this as extraneous reporting, using anecdotal evidence and success stories. Reporting requirements on cross-cutting issues should be reduced, wherever possible.

Social (note taker – Katia Alexieva; presenter – Tatjana Trajkovski): The group agreed that new (and disturbing) social trends are emerging in most E&E countries, necessitating the inclusion of social sector programs in country strategies. Trends include: declining education enrollment and standards (affecting youth and human capital more generally); declining living standards and widespread poverty; rising unemployment (which increases poverty, inequality, hopelessness, isolation, and the potential for conflict); declining health status; and increasing number of vulnerable groups.

The group also discussed fact that gender issues need to include both men and women (e.g., life expectancy for males is lower than for females in many countries); the applicability of transition vs. development activities in SEE and Eurasia; and the need for a new generation of leaders.

SO 3.1 (humanitarian assistance): this is now a lower priority in the region, with some exceptions (e.g., Kosovo); might be moved to special initiatives. Need an early warning system to identify and monitor vulnerabilities, which could be included in conflict prevention activities.

SO 3.2 (health): a better wording of the SO should be considered to include healthy lifestyles (including youth, sports, HIV, family planning).

SO 3.4 (mitigation of adverse impacts): The wording of this SO should be reconsidered to include development as well as transition activities. Since many of the emerging social trends are incorporated under this SO, guidelines should be flexible and allow missions to establish individual elements of SO 3.4 as separate SOs, if needs and funding warrant it. The group also recommended expanding the elements under this SO: education/human capital (quality, relevancy, enrollment); unemployment (especially among youth); poverty (income levels and deteriorating living standards); vulnerable groups (children, youth, rural population, trafficking, pensioners); young leaders (need to create); and conflict prevention (addressing the root causes).

Democracy (note taker – Janet Kerley; presenter – Ellen Leddy): There was general agreement that E&E needs to expand its understanding of democracy. Some key concepts included: separation and balance of power; power sharing among the various parts of society, beyond elections; establishing a “level playing field,” with equal access to political and economic decision-making; equal opportunity – real choice and making all voices effectively heard; the right to associate, which is more than building NGOs ; and public education.

Group members discussed the democracy programs in their respective countries, illustrating differences and similarities. Democracy is a learning process and the pressure to show results gets in the way of getting the work done. For example, in Belarus, there is a hostile environment that requires following the rules. USAID works with NGOs to get them registered. If you want immediate action, you are tempted to go for unregistered NGOs, but that is not always the wisest course of action. An evaluation of NGO development in Bulgaria revealed the groups supported through the DemNet program were not the leaders in the sector. The more successful model was in the local government activity where local groups received money to work on real issues in the community.

The group recommends a broader goal statement (e.g., to foster democratic societies and institutions) and a broader set of activities funded under this rubric. SO statements need to be re-examined to emphasize people level impact and to take a better look at how governments may be failing their citizens. Major issues, such as conflict, need to be included. Also, public awareness/education needs to be incorporated with an overt focus on the rights and responsibilities of citizens (including civic education, social responsibility/consciousness, and the culture of philanthropy. Serbia and Georgia provided examples of successful public education activities). Lastly, the separate roles and responsibilities and the “interface” of government, business, and NGOs must be emphasized in strengthening “Governance.” While we work in each of these areas, we overlook the areas where they need to come together.

Economic (note taker – Sherry Grossman; presenter – Bill Penoyar): The working group agreed that a stronger focus on people-level impact needed to be integrated into the framework. They recommended a restatement of the SAA 1 goal: "A competitive, market-oriented economy in which economic growth is broad-based and will benefit the majority of the population".

The group also suggested that SO 1.1 (privatization) could be subsumed under SO 1.3 or 1.5. And, under SO 1.3, place a stronger emphasis on human capacity development, especially for youth, entrepreneurial training and business skills.

The working group discussion covered a variety of subjects. Ideas voiced included the need for separate goal statements for different transition paths, the need for separate SOs to cover agriculture and SMEs, and the need to focus on the “implementation” of new laws and regulations under SO 1.2, not just formulation. Participants also opined on the need to revise the SO statements to reflect people-level impact (e.g., increased income to prevent conflict) as well as the trend of moving away from government and focussing more on grass roots.

## **Day Two, Thursday, March 8**

### **Requirements and Reality: Lessons Learned from the Field**

Sessions Coordinator: Jeff Evans (EE/PCS)

#### **Strategy Development Panel**

Moderator: Karen Hilliard (EE/PCS)

Panelists: Chris Edward (Ukraine), Ivanka Tzankova (Bulgaria), Alonzo Fulgham (FRY)

Summary of the main presentation

Excerpts from ADS 201 regarding strategic plans were discussed – including the purpose, role of partners and stakeholders, types of strategic plans, and the six mandatory content areas.

Bureau-wide trends were then discussed: it was noted that most Missions are doing full sustainable development plans, that many Missions are consolidating SOs; that strategies are increasingly coming under OMB scrutiny; and that resource levels are changing rapidly.

Panelists then spoke of their field experience

Chris Edward suggested that elements of a “good strategy” include, for example:

Needs to have self-evident logic and be a good communication tool

Needs to be flexible to respond to different funding levels

Needs to be within management interest to achieve (we should be at the IR level more often). Even with these attributes, he said periodic reassessment is imperative.

Alonzo Fulgham spoke of the importance of the Mission Director in providing leadership and setting standards. He said a good strategy depends on good sector analysis, understanding our national interests, a clear results framework, and AID/W's ability to provide needed TDY support.

Ivanka Tzankova discussed their strategy, and also noted some shortcomings. She said the strategy lacks sufficient discussion/background about the country per se, and she said the analysis lacks rigor with respect to the "assumptions". These comments were seen to apply to more than just the Bulgaria strategy document.

Discussion: The following observations/points were made during the extensive discussion.

If we have a transition objective, we'll need 10 to 15 years – but we cannot plan to be in a country for even 5-10 years. On the SEED side in particular there is a graduation push.

Given the uncertainty, a case was made for doing only interim strategies. Others noted, however, that if there's a move towards interims, we need to streamline the guidance.

The point was also made that if we come in with a new strategy that recommends more of the same, that that should not be taken to signify failure.

The point was also made that the role of the government needs more attention in our EE strategies.

Discussion then turned to "Purposes of a strategy". It was noted that a strategy helps to make choices, keep focus, organize reporting, provide a filter for and therefore reduce some unsolicited proposals, gives us more authority in dialogue with STATE.

It was noted that the EE regional program (SO 4.2) actually is a collection of activities to meet directives – it plugs holes and keeps Missions from having to do it.

The comment was made that the SEED coordinator decision-making process is counter to USAID core values of participation.

Differing views were expressed vis-à-vis the degree to which USAID strategies were reflected in MPPs – with some Mission's saying the Embassy is uninterested, and others saying it's central to the MPP.

Discussion then turned to "use of analysis and evaluation" and the following observations were made: All Missions did some assessments – but the number depended upon several factors, including staff capacity (size of Mission), other demands on the program office and availability of TDY assistance. The point was made that training in strategic planning would be useful.

Concluding points were that the best strategy is one that is used, and that if used well, it is a way of bringing a Mission together as a team.

### **Activity Approval Panel**

Moderator: John Morgan (Bulgaria)

Panelists: Charles North (Russia), Ellen Leddy (Bosnia), Jack Winn (Kosovo)

When programs in the Europe and Eurasia region began, several factors contributed to an activity approval process that minimized the analysis common in project papers elsewhere in USAID. These were the urgency of obligating funds, the uncertainty of what could be accomplished (and even who might be viable counterparts), the lack of staff, and the fact that the State Department, through the SEED and FSA Coordinators were responsible for strategy - and did not see lengthy analysis as useful. In addition, at the same time, the Agency itself was moving away from lengthy project papers to more rapid start up approaches. Two further factors affected design and authorization - State's limits on USAID staffing overseas, and a desire to provide maximum flexibility in shifting funds between countries.

The result was that large amounts of funds were approved with minimal documentation for omnibus activities covering many countries. For example, the total Eurasia program was authorized and obligated under only 12 region-wide projects - all managed in Washington, no project agreements were signed with host countries, and until 1995, there were no country budgets.

This maximized flexibility and minimized design work but it created a very large workload for field missions when the early long term authorizations expired at a time when Missions were responsible for their programs and obligations were to be done against each mission's objectives. Thus, the ADS requirements for activity approval affected every aspect of every mission program and had to be implemented by a staff who, other than for a few direct hires, were largely unfamiliar with activity approval requirements. Not surprisingly then, while the ADS provides a common grounding for such approvals, there is wide variance among Missions regarding requirements for activity approval.

The approval process in the field varies in complexity depending on the management style of the Director and the level of expertise/experience of the staff. There is, unfortunately, a tendency to manage down to the lowest common denominator. In other words, Mission management has tended to ratchet up the requirements for documentation and the level of scrutiny of the design process in order to ensure adequate oversight of the weaker officers/offices.

The panel cited a need to achieve a balance. The process must be flexible enough to take into account differing levels of staff capacity while meeting statutory requirements. There was consensus that while Mission procedures, as reflected in Activity Approval Mission Orders should adhere to the ADS, unnecessary paperwork should be minimized.

Panelists cited examples of how they achieve approval of activities. In Bulgaria, the Director approves the concept paper and then specifies on a case-by-case basis her desired level of involvement in design. The actual approval document is an Action Memo certifying that all of the pre-obligation requirements have been met and any caveats/factors that would force re-examination of the activity.

USAID/Russia cited the role of the Director as paramount. Activity approval depended entirely on what he/she required beyond that which is specified in the ADS. Their Mission Order has gone through several iterations. The goals of the M.O. are to:

- Raise the quality of design
- Link activities and procurement to strategy
- Promote inter-SO and inter-Agency linkages
- Promote performance-based contracting
- Guide procurement planning
- Avoid last minute rejection of designs
- Encourage flexibility (not every activity requires the same level of design)

Activity approval in Russia was to consist of 3 steps

- Concept review (short paper)
- Activity review (including other offices for purposes of enhancing synergy)
- Activity approval in the form of an Action Memo

There are exceptions to that rule, however. Sometimes the Mission goes straight to the Action Memo; sometimes they proceed straight to approval after the concept paper has been reviewed.

In Bosnia, the Mission began doing activity approval in accordance with evolving Bureau guidance. The new strategy, with multiple SOs required new starts. Doing papers for each activity proved too burdensome so they opted to do activity approval at the IR level. They found that while the pre-obligation requirements could not be addressed at the SO level, they could be addressed at the IR level. The paper, which was done for each IR, was circulated to the technical offices and the Embassy. People were given a chance to read it and comment. The DIR or D/DIR chaired the review. The Mission considered the process useful in that it served as a good reality check on the strategy and ensured that the design reflected the Mission's true intent. Outside participation brought good perspectives, enhanced synergy and put the design to the test of whether it made sense to the lay person.

The group then discussed the Kosovo approach. The old omnibus approach to design, especially when the program was in the start-up phase, tended to be conducive to audit vulnerabilities because, in essence, the time available determined the level of analysis done during the design phase. They used an Action Memo that was essentially an attachment to a MAARD. The memo followed the ADS checklist. Analysis was shifted to the contractor through the use of performance-based contracting. They were given

basic guidelines and encouraged to conduct the necessary analysis themselves and use their creativity in developing a proposed approach. Current practice incorporates more analysis, including the use of sector assessments.

Some Missions use only a MAARD with the pre-obligation checklist attached.

Overall, participants noted that the Bureau had progressed from a quick-start mode to a more bureaucratic approach as programs and Mission capacity evolved. However, some questioned why we needed to use a longer process if the quick-start approach worked just as well. Participants noted that the quick-start design/activity approval approach had to be accompanied by close performance monitoring during implementation. Example: in Kosovo performance was reviewed weekly.

Others felt that success in implementation was idiosyncratic: e.g. it depended on the skill of the project officer and the quality of the contractor.

It was suggested that we evaluate whether there was any correlation between the intensity of project design and activity approval and the ultimate success of the project.

Many attributed the excessive documentation requirements to fear of audits on the part of Mission management but cited that this fear was probably exaggerated.

One concrete suggestion that emerged from the session was that the issue might lie in how each Mission defines “activity”. The higher/broader you go in the results framework, the more complex the design should be. For example, if a Mission pitched the activity approval function at the IR level, then activity designs could cover multiple procurements. A broad activity approval document signed by the DIR could obviate the need for the DIR to sign every MAARD and, therefore, encourage delegation.

The flexibility of the process puts the onus on the Program Officer or PDO to negotiate with Mission Management what process will be followed and what the requirements are. In view of this, many participants saw the need for more PDO training for U.S. and local staff.

In sum:

Concepts contained in most Mission Orders are consistent with the ADS.  
Variations in activity approval across Missions are due to personality of the DIR.  
Requirements additional to the ADS are self-imposed and respond to management style, audit, staffing and individual Mission capacity concerns.  
Level of approval varies from a MAARD to a more comprehensive design at the IR level.  
There has been a trend over time to deepen the approval process.



## Performance Monitoring Plans Panel

Panel Members: Jim Bonner (Albania), Babette Prevot (CARs),  
Roslyn Waters-Jensen (Romania)  
Moderator, Richard Loudis, (EE/PCS)

Dick Loudis introduced the topic by asking: How, and to what extent, are missions using performance monitoring plans (PMPs)? What have been their experiences in designing and maintaining their PMPs? What are, and should be, Washington's needs in PMPs and could Missions agree to submit them to Washington for info purposes?

Several key observations surfaced. First, PMPs do serve (or at least can serve) a useful purpose. This applies to both the process of developing one (getting all the "stakeholders" together and hopefully getting "buy-in" to the process), as well as the actual product.

In this context, however, there is considerable scope for improvement and for increasing the utility of PMPs, both as management and reporting tools. When queried, no mission was able to say that they have had in place over the past two years a fully-developed PMP, with completed and set targets for which progress data has been collected. As it currently stands, there is little to no incentive to use indicators as a mission management tool, and technical teams in the field largely see the PMP as something for Washington's consumption [which is curious, because they are not sent to Washington].

How can the process and product be improved? PMPs need not be a burden. Clearly, there is a need to keep it simple, and to find a balance between what is practical (and low-cost), and what is useful. We need to recognize that developing a PMP is more art than science. It is important to maintain the same indicators and targets. Targets that keep changing cannot provide an assessment of impact over time; continually "tweaking" the PMP is only counterproductive. It is also important to keep the costs down by: building the costs into contracts to measure results at the lower level; and using proxies if necessary at higher level results.

Contractor help in developing the PMP is key, though so is close cooperation and involvement on the part of the mission in the process. Mission experience with Price Waterhouse Coopers has generally been favorable, though it is important to develop a tight scope of work, as well as closely screen the proposed consultants.

Measuring impact is clearly important for some Washington audiences (OMB in particular, not so much State), in part because success stories are viewed by some as "spin." (Internally, success stories are valued, particularly when they relate the human impact of our efforts.) It is important to bear in mind that USAID is "light years" ahead of most other government agencies in measuring impact. Nevertheless (or perhaps because of this), we are held to a higher standard. Reporting on results is a useful way to defend a program (i.e., it is important in a negative sense).

## Teams Panel

Panel moderator: Alonzo Fulgham (FRY)

Panel members: Bill McKinney (Azerbaijan), Florentina Tautu (Romania), S.K. Reddy (Botswana)

Alonzo Fulgham opened the presentation on teams by referencing the ADS 200 policy, which conceptualized the intended usage of teams. The purpose of this discussion segment was to understand the different applications of the team concept in the E&E Missions, and to engage participants to share thoughts on how well or poorly the team concept and structure was working.

Three different examples of experience with teams were presented by panel members: teams led by FSNs, teams in the Africa context, and teams with a number of virtual team members at a distant location. This led to a discussion of the value of teams and empowerment, and the necessity of ADS requirements related to teams. The overall conclusion of the session was that teams are useful and depend greatly on the management approaches of the Mission Director and senior staff rather than any ADS requirement; that empowerment of all staff and particularly FSN staff was very important and could be accomplished with or without teams; and that while the team concept should be retained and promoted, the mandatory ADS requirements regarding teams should become suggestions and best practices, not requirements. In most cases these were not being implemented.

An example of a successful strategy development team was presented by the Romania Mission. There, the Mission Director selected FSNs to be the team leaders for the development of the new mission strategy and he selected the core team members. Office Directors were not included as team members but rather served as coaches. This empowered the FSNs, improved the development of the strategy, ensured its relevance, and increased buy-in to the eventual plan. The Romania Mission found a team charter a useful tool in identifying roles and responsibilities, ground rules and common operating procedures. Since everyone agreed to the format, they had good results. The final strategy product worked very well with the usage of a team composed of Washington and Embassy staff. This process also seemed to enhance the commitment and appreciation of the Mission's purpose by the Embassy and Mission staff. Romania anticipates continued success using the team experience.

An outside perspective was also shared with experiences from the Africa Bureau. The Missions in the Africa region have identified numerous obstacles working with teams. Issues related to team authority and responsibility, team structure, membership and internal management, and overall team coordination presented substantial management challenges to missions and strategic objective teams. These challenges are summarized:

- 1) Reconciling strategic objective team roles with technical office responsibilities
- 2) Empowering teams and team members
- 3) Building effective teams that bring value to both the mission and its customers

- 4) Balancing accountability with the need to address significant development objectives
- 5) Coordinating and integrating the work of all strategic objective teams within an operating unit

And working with customers and partners:

- 1) Overcoming substantial obstacles to involving customers
- 2) Deciding when and on which tasks to involve partners
- 3) Determining which partners to involve and ensuring their active participation

The USAID Office in Baku, Azerbaijan, used a different approach to teams because they are part of the Caucasus Mission in Georgia. Therefore, while they formed teams as operating units within the Mission, virtual teams also played a vital role because of the difficulties logistics played in physically meeting. Since the team leaders were typically not the office directors, they were unsuccessful because Office Directors still had the ultimate responsibility. The information sharing by the Office Directors was not extensive since they were reluctant participants. From Mr. McKinny's experience, the expatriates tended to dominate the meetings, and the FSNs were perceived as passive players. The FSNs typically deferred decision making to the expatriates in the team concept.

Two questions were posed to the group: What is the value added of POTs? Are there any success stories with team experience that participants would care to share?

Regarding POTs, the group saw little value in them as a group, although they valued the various technical staff of which the POTs are composed.

Regarding success stories, there was a mixed response among participants. It seems that true SO teams had an inherent conflict with Office Directors concerning roles and responsibilities and ultimate authority. The empowerment concept is very important to implement, particularly when it comes to FSNs. There seems to be varying degrees of success among the Missions. Many participants agreed it is important to have Mission Director buy-in to support team building and empowerment in order for formal teams to be effective. The delegation of authority needs to be clear so roles and responsibilities are well defined. Some Missions, such as Ukraine, have had successful experiences with a FSN team leader. Unfortunately, reality often limits team-delegated authority because the Mission Director is ultimately accountable to the Ambassador and DAAs and is unwilling to let teams make final decisions without senior level approval. Differing perspectives were offered, but it seemed that teamwork was ultimately how the work would get accomplished. It was also noted that the management tone is very important, particularly middle management, which is where the style of the SO team leaders is communicated.

There was group consensus that teams will always exist since they are needed for successful working relationships; however, the formalization of teams can be challenging, and oftentimes creates structural barriers that are difficult to work with. The

PPC perspective was offered on teams and the intention of the ADS guidance. Since teamwork is a core value, it is inherently important to the operations of USAID. However the formalization is subject to debate. The ADS 200 was meant to provide flexibility for operating units to function with teams; it was not meant to impose requirements such as team charters and minutes, those have been self-imposed. Missions need to assess their particular situation and do what makes sense in terms of utilizing teams in their organizational structure. SO teams are not the same as teamwork. SO team formalization depends on the Mission needs and requirements.

In summary, everyone agreed that teams were vital to the organizational structure, but the formality and structure should depend on the situation and preferences of the Mission. The ADS policy on teams should not be interpreted rigidly, but rather as flexible guidelines to assist Missions in their teamwork performance.

## **Discussion Groups**

### **Conflict Resolution**

Facilitator: Karen Hilliard (EE/PCS)

Karen Hilliard introduced the topic by outlining Agency and E&E Bureau priorities and developments on conflict policy (analysis, prevention, mitigation, and/or resolution) to date. The Agency has a task force, not yet fully operational. The Bureau has a working group and is putting forth a proposed three-part plan of action.

Participation from the field during the session included that from the Caucasus, Central Asian Republics, and from the Balkans, Serbia, Albania, Macedonia, and Bosnia-Herzegovina.

To what extent are the missions using conflict analysis and/or have an explicit policy towards conflict resolution? Several general reactions surfaced. First, several missions noted that a conflict strategy was at least implicit throughout their portfolio, and that the identification of conflict "triggers" tended to be intuitive; there was some skepticism, in other words, of the value added of a more formalized/explicit conflict analysis and strategy. (USAID/Caucasus noted that the recent Agency conflict assessment on Georgia was a good report. Some recommendations they plan to use, though others are too broad. Sharing the report to a wider audience may be problematic given its "hard-hitting" tone).

Second, concern was raised as to whether greater, more explicit focus on conflict analysis and resolution was necessarily in USAID's manageable interest. Part of this concern centered on USAID's role vis-à-vis the State Department and the U.S. country team. Taking a more prominent role in conflict may step on Ambassadors' toes, and could invite some backlash from State. Also, tension between the short-term horizon of State and the longer-term horizon of USAID is inherent and may be problematic in this context. Our definition of building state capacity, for example, differs from State (which is more focused on building state capacity of police forces, etc.). Another aspect of this concern (of manageable interest) is that we are relatively small players vis-à-vis these

issues, many of which are regional in nature. Russia's influence in the Caucasus, for example, looms large (though also waxes and wanes), and that keeps it out of our control. In general, we need to take a more regional perspective on conflict (and this may speak to the value of a Bureau working group). In Macedonia, there may not be the political will from government to mitigate and/or resolve conflict; again, a situation largely outside of our ability to redress. Nevertheless, while USAID is not able to single-handedly resolve conflicts, greater efforts to try to mitigate or influence conflict are certainly in our manageable interest. Greater efforts at donor coordination is key here; in concert with other donors, conflict mitigation is certainly in our manageable interest. In Georgia, we've coordinated well with other donors; there may be lessons learned there that could be applied to other missions.

Third, care needs to be taken that our intervention does not aggravate conflict, by taking sides in a conflict. We haven't always been even-handed in the Caucasus, and perhaps also in Macedonia. A close look, using a conflict analysis lens, needs to be taken at our portfolio throughout the transition region.

Can a viable early warning system be set up? Discussion ensued about the USAID-commissioned UNDP early warning reports that exist in several of our countries, including in Bulgaria, Macedonia, Bosnia, and Romania. These are useful. Perhaps we should do this more systematically throughout the transition region.

The missions were encouraged to review closely the Bureau's conflict proposal and to provide feedback to E&E/Washington when possible. Do the three parts (analytical agenda plus training and workshops; fostering a regional dialogue; and strengthening regional capacity) "hit the mark?"

### **Anti-Corruption**

Facilitator: Richard Loudis (EE/PCS)

Richard Loudis briefed attending program officers on the task force analysis and on tactical approaches SO team leaders could employ. He mentioned TAPE (Transparency, Awareness, Prevention, Enforcement) and C=M+D-A (Corruption = Monopoly + Discretion - Accountability) and said that either could probably work - as there was a cross-walk between the two paradigms. He tossed out the following questions for discussion:

- how does your mission organize itself to address corruption.
- what more can you do, if asked to up the ante (eg the new Bush initiative)
- what assistance can AID/W provide your Mission
- what are your thoughts on how best to sequence interventions - is there some -- consensus on how to start? Are some things foolish to pursue?
- are some sectors more important to work in than others?
- should you approach corruption frontally, or indirectly through promoting greater efficiency and democratic practices.
- how useful have been national corruption plans in your program.

Some key points discussed were:

- field would be interested in sector specific assistance from AID/W - facilitating the Missions to look at what could be done in different sectors - health, micro-enterprise, etc.
- a menu of programs is not likely to provide the answers to the field.
- right sequencing - awareness seems to be the most promising first step. We need to be realistic about expectations.
- Missions organize themselves differently - there is no formal cross-cutting working group in most missions - though info sharing is done through annual reviews, staff meetings and including other team leaders on SO teams. Bulgaria does all this, and has an IR that is focusing on cross-cutting prevention (enforcement) interventions - e.g. auditing/procurement reform - made possible by legislative changes.

Recommendation:

Start with a workshop/retreat of technical folks back here in Washington - then go out to the Missions and facilitate SO teams leaders to look at their sector through a corruption lens.

## **Evaluation**

Facilitator: Janet Kerley (EE/PCS)

**Purpose of the Discussion Group:** Initially the group identified the specific issues around evaluation that they wanted to discuss during the breakout session. The major areas were the following:

- What is the purpose of the evaluation? Who is the target audience and when should you do an evaluation?
- How do you use the findings of an evaluation and what are ways to share the information?
- What are “state-of-the art” methods that can be used in evaluations? How do you get an evaluation done in a low-cost manner?

## **Discussion:**

How have you used analysis and evaluations in your mission?

Ukraine: In preparation for the strategy exercise, we reviewed all past evaluations and assessments and summarized findings.

Bulgaria: We did twelve evaluations related to ongoing activities to consider “What have we achieved? What’s left to do?” The results were used in developing the new strategy and were particularly important because the mission is moving into a graduation phase, where it is critical to choose activities strategically.

Armenia has done evaluations in new areas, education, health and labor, i.e. social assistance. All were useful, but the quality of the results depends upon the quality of the people who do the work. EE/EEST staff were helpful in developing the Scopes of Work.

Belarus: Combined evaluation of ongoing program in print media with assessment of a perceived need to expand into independent TV. It was an opportunity to sell an idea and make recommendations for further funding. Used Washington technical specialist, with Russian media experience, which provided a helpful input to the Belarus reality. Using an evaluation/assessment to confirm what we already know can be good for building confidence around certain program interventions.

Kosovo: used analytical exercises to evaluate small-scale projects in community restructuring program and to conduct an agriculture assessment.

Botswana: since evaluations are not “required,” can be difficult to get technical officers/SO teams to see the need to evaluate. An important trigger point for evaluation should be when an SO is not meeting expectations.

Albania: mission will evaluate at the end of an activity, sometimes dependent on contractor doing self-evaluation. Other experiences?

Serbia/OTI: Who conducts the evaluation can be a problem: internal person can be biased, but a totally external evaluator cannot hit the ground running. In community improvement project, OTI measured changing attitudes and perceptions toward service provision. Divergent points of view led to reexamination and redesign of activities. (Given high level of interest in evaluating impact of community mobilization projects, Adriana agreed to e-mail methodology.)

## Issues and Concerns

Participants raised a key problem in how to ensure the credibility and usefulness of evaluation exercises. How can program officers access the best in terms of evaluation designs and individuals to carry out the evaluation? Evaluators are not necessarily “risk takers,” particularly when technical offices are managing the evaluation, or the evaluators have a vested interest in the sector or future work. Often, we run into situations where evaluators tell us what we know or what we want to know.

Some possible solutions include developing a rigorous scope of work, getting the mission on board with the methodology, and asking probing questions to the evaluation team mid-way through the evaluation exercise. When time permits, competing the evaluation SOWs will also ensure a better methodology. The program officer has to act as the honest broker and build consensus internally for the need and the scope of work. If hidden agendas persist, POs should have the authority to stop a useless evaluation exercise.

## Resources Available from EE/PCS

- **Regional Evaluation Fund:** PCS has a small amount of money available to fund regional evaluations. This is based on the assumption that Missions are responsible for evaluating activities and SOs. Janet described the evaluations funded over the last two years and asked for suggestions for important themes that need to be evaluated this year.
- **Evaluation Course:** Janet distributed an outline for an evaluation course that PCS proposes to teach in spring 2002. The course was designed in 1998 for the World Learning NGO Grant program in Russia. It has been delivered in Russia, Armenia, and elsewhere by MSI, the contractor. Materials are available in English and Russian. The three week course is divided into three phases: one week of classroom work, a break of eight weeks during which the course participants complete an evaluation of a small project; and a second week of classroom work to report on the field work and explore other evaluation topics.
- **PCS resources to review evaluation scopes of work and mechanisms for undertaking the evaluations:** Janet is available to review SOWs and to provide assistance on contractors, methods, etc related to Mission evaluations.

## Recommended Actions :

- Janet will find a sample Mission Order on evaluations and post it on the EE/PCS/Evaluation web page.
- SK Reddy and others will send in specific ideas for regional evaluations.
- Missions will send in information on evaluations they have completed.
- Janet will begin a threaded discussion on the web page that will allow the evaluation network to communicate with each other and share documents.
- Planning for the spring 2002 evaluation course will move forward.

## Progress on Action Items:

- Four missions have sent in information on evaluations completed by the mission. They are available on the EE web site.
- Janet met with Peter Hobby and Gary Vaughn (EE/OM) to establish a threaded discussion group for the evaluation network. Internet Data Services (M/IRM/CIS/IDS) can set up such a discussion group for \$2500. Once funding is secured, IDS will have the discussion group ready for use within a week.
- Planning for the evaluation course is moving forward. The course is planned for mid-June or mid-July, depending upon availability of a location. (Kiev and Budapest are the top runners.) MSI, the firm that developed the course for Russian NGOs is on board, and the revision of selected modules is underway to make it more relevant to the needs of USAID staff.



## Day 3 Friday, March 8

### Dr. Kent R. Hill: Remarks and Discussion

Presenter: Dr. Kent Hill, AA/E&E

Key points of presentation:

#### 1. Background

- Dr. Hill's background includes a Ph.D. in Russian and East European history; studied and traveled in the Soviet Union in 1978 and taught at the University of Moscow in 1992; Executive Director of the Institute on Religion and Democracy 1986-92, where he worked on inter-religious issues in the United States and advocated for human rights and religious tolerance abroad; and President of East Nazarene College and continued to publish on inter-religious cooperation, 1993-2001.
- His commitment to human rights in the Soviet Union, particularly religious persecution, started during his 1978 visit to Russia, where he met and then worked on the behalf of a small group of Pentecostals seeking safety at the American Embassy in Moscow.

#### 2. Major Themes

Dr. Hill has traveled extensively in region since his confirmation. Two major themes have emerged for him.

- First, is how we define, promote, and sustain democracy through our programs. Democracy does not end with elections; it is a complex phenomenon. It is rule of the majority, but in a context that protects the rights of minority groups. Similarly, capitalism is not unmitigated greed; it is not laissez-faire economics. We need to think in terms of democratic capitalism. Referring to Michael Novak, he noted 3 significant elements: democratic processes, capitalism, and the development of social conscience (virtuous citizenry), where people seek to define the common good.
- Second, is lessons learned from inter-religious dialogue and helping people of different belief structures interface and find common ground. This does not have to be rooted in religion. Rather, he wants to appeal to people's sense of morality, of right and wrong. (For instance, the trafficking issue in Albania is an issue of humanity vs. inhumanity.)

#### 3. Three Major Initiatives

Dr. Hill then went on to discuss his three major initiatives (also summarized in participant notebooks).

- First, augment ongoing programs by addressing corruption, conflict and other moral issues like trafficking through character education. He recognizes this might not be the right term. What he is looking for is an avenue that inspires people of the region to seek the common good. That involves meeting with the beneficiaries of our assistance to understand their values; their higher standards. Who are their heroes? What in their cultures help them aspire to a higher cause; a greater good? His example was the dinner he attended in with Serb and Kosovar Albanian leaders in Kosovo, where he asked them to talk about where they look to in their own traditions to break the cycle of violence.
- Second, is his interest in finding common ground in Islam and pluralism. Muslims are the majority of many of our countries. Is it possible to be a serious Muslim and believe in pluralism? There are moderates who say Islam and democracy are not incompatible. Can we in USAID stimulate that discussion? Can we reach out in society and identify the interlocutors and find American partners who can facilitate these discussions?
- Third, he wants to make the case for foreign assistance and help develop a stronger U.S. constituency for foreign aid. For this reason, he needs human interest stories showing how/why what we do is important. The story compels people to listen. He also mentioned that the genius of what USAID has accomplished is based on two important elements: the contribution of FSNs and our ability to funnel money through NGOs – their energy, dedication, and cost-effective organizations and approaches to development.

#### 4. Summary of Comments/Discussion

- Success stories: Kent confirmed that they are really used. As appropriate they will be used when communicating with Andrew Natsios.
- Conflict and balance: Its important to avoid the pitfalls of giving the appearance of favoring one group over another, particularly with the increased interest in reaching out to Muslims (e.g., asking for stories about non-Muslim as well as Muslim children).
- People-level impact: Pragmatically we know that the macro-level changes are needed to sustain improvements at the local level. We need to balance macro and micro level interventions. Example: community infrastructure projects, where people can see some tangible improvement in their lives. This provides the psychological base for developing patience for longer-term reforms.
- Reorganization: Kent advised that he would be meeting with the Administrator immediately after his return to Washington to resolve remaining issues on the reorganization. Kent wants to get things settled with minimal disruption to the missions. He wants to ensure the field gets the support they need, whether it comes from the E&E or the pillar bureaus. In reference to the concern with under-staffing in the field, Kent emphasized that one outcome of the reorganization was to get more people to the field.

- Small grant community projects: Although these activities are called something different in each of the countries that have them, he thinks they are immensely successful. They emphasize community decision-making and provide quick, tangible results (quick hitters).
- Encouraging tolerance: Is the large NGO grant in Serbia a model? Perhaps other avenues such as Law Centers encouraging ethnic and religious tolerance. We don't want an academic group debating differences. We want programs that make a difference. The community action programs are already doing something that is useful. We target these to interethnic communities, giving them a concrete project to work on together.
- Coordinating with EUR/ACE: PO suggestions included putting an E&E officer in EUR/ACE and a State officer in E&E to enhance understanding of our programs and budget needs. While acknowledging the organization cultural differences between State and USAID, Kent emphasized the need cultivate that relationship in purposeful ways. Getting EUR/ACE reps out to the field is also important. It's a good way to use the power of knowledge and persuasion to turn them around.

### **The Budget Process: Planning and Execution**

Main Presenter: Susan Ouellette (EE/PCS): Overview of Budget Process

Pat Brown (EE/PCS): Budget Planning: FSA and SEED

Susan provided a power point presentation explaining the budget process and Pat Brown participated with an explanation of budget planning for both AEEB and FSA funds.

Budget Planning: FSA has an FY 2002 budget of \$784m. Half of the budget goes to USAID, 7% - Enterprise Funds and Eurasia Foundation, and the remaining 43% are transfers to other government agencies.

SEED has an FY 2002 budget of \$621m with 69% to USAID and 31% to transfers to other government agencies.

Budget Planning is the 1<sup>st</sup> step and crucial step in the budget process of getting funds allowed to your missions. The implementation office will not allow funds that are not in the budget plan. Also Missions should make sure that CNs tie to the budget plan.

The major responsibility of the planners is to coordinate the budget between the EUR/ACE, the Missions, and Washington.

Once we have an appropriation, EUR/ACE, working with the Embassies and Missions, set country levels. On the FSA side the planning budget is broken down by USAID Mission, USAID Total, Performance Funds, and Transfers/Allocations. On the SEED side the planning budget is broken down by USAID Mission, Performance Funds and Transfers/Reserves. The difference is Enterprise Funds and Eurasia Foundation funds on the FSA side only.

Pat subsequently briefly met with the FSA “budget people” to go over really detailed questions about the FSA budget. Out of that meeting, Nada from Russia and Christina from Armenia asked if it would be helpful to have a standard set-up of the planning budget for all FSA countries. This was deemed an excellent suggestion. The Mission detail planning budgets are requested by EUR/ACE and having them set-up similar would make it easier for everyone: PCS, the desk officers, and EUR/ACE. Pat recommended that Central Asia detail budget plan layout be adopted as the official FSA layout. Also, she proposed the SEED Missions adopt the same layout once Sheila has OK’d it.

Lastly, Pat talked about possible changes coming about.

E&E/PCS received a request from EUR/ACE asking that the SEED budget be mirrored after the FSA budget. Sheila and Pat have met and discovered that there are big differences in how each appropriation is handled. On the FSA side, each time the Mission or POTs reprogram funds from one SO to another, the Coordinators office must OK the reprogramming of funds. On the SEED side, once the USAID budget is set the reprogramming is done without EUR/ACE approval. On the FSA side, EUR/ACE notifies the budgeted amount for each transfer. On the SEED side, EUR/ACE notifies each activity under the transfer. As a result, a transfer like EPA will have lots of CNs done against it.

We still have to determine whether Ambassador Taylor is going to push to have both appropriations budgeted and reported the same.

On the third day, Pat met with the SEED side.

The response from the several people was that more time was needed for Budget Planning and Implementation. More time is definitely need with Budget!

## **Reporting and Review**

Panel Moderator: Sherry Grossman (EE/PCS)

Panel Members: Skip Waskin (PPC), Earl Gast (Georgia), Clay Epperson (Croatia), Charles North (Russia)

Reporting is a very important tool that the Agency uses to monitor the progress and results of its program activities. There is a desire to minimize ad hoc reporting by having useful formal reporting requirements that can meet multiple purposes. The purpose of this discussion was to review the Annual Report (AR) and other existing agency reporting requirements to identify meaningful reporting mechanisms.

The PPC perspective on agency reporting was presented by Skip Waskin. He explained the Administrator’s tasking to PPC for simplified and streamlined Agency reporting requirements. The reporting resources PPC has available were explained to the group. Many participants seemed unaware of the extensive data storehouse of existing reports

maintained by PPC. The primary stakeholders—OMB, IG, AID Washington, and Congress—are typically the target audiences of these various reports.

Skip then reviewed the new AR guidance and process and how it incorporated the congressional budget justification (CBJ). PPC anticipates changes to be implemented with the next AR exercise. Preliminary guidance will likely be disseminated this summer. To comply with Inspector General (IG) concerns over performance monitoring, an emphasis on results will continue to be an integral part of the AR. And, in order to meet the Government Performance and Results Act (GPRA) reporting requirements for OMB, the AR deadline will be moved to mid December.

There was a wide range of feedback on the AR with mixed perceptions about its ultimate usage and applicability. Several conference participants noted the guidance was too lengthy and needed some streamlining and clarification. There were some misperceptions about the reporting guidelines where some operating units or SO teams felt constricted in addressing all of the SO results. Several program officers expressed frustration over the budget tables and the new database, while many participants indicated the instructions were not sufficient to accurately complete the tables. On a positive note, some perceived the new AR as an improvement over prior years since there was more flexibility and less structure to the narrative sections. Missions were able to craft a “story telling” description of their program performance and indicators. However, there was concern that future efforts to expand the AR would lead to more of a rigid structure and expanded reporting requirements. There was also discussion on the reasoning to include the out year budget data since the numbers were likely to change in future budget exercises. Since the information would be needed for the BPBS, the FY 2005 data will be required as part of next year’s AR.

It was recommended that the goal for PPC reporting responsibilities should be to create a multi-purpose reporting mechanism that would address separate reporting needs as feasible, and to minimize agency ad hoc reporting and other separate reporting requirements. Streamlined AR guidance will also be a priority.

The conversation then shifted to a discussion on possible new review venues and timeframes. Since the three-year strategy update reporting is not sufficient to keep Washington well-informed on country program progress, there is a perceived need for a formalized review. In addition, the State Department Coordinators (EUR/ACE) have expressed a strong desire for some sort of substantive, yet concise, annual review. At a minimum, there should be some opportunity to keep all stakeholders well informed to discuss relevant country issues. PPC’s annual reporting requirements are minimal and the structure is optional depending on Bureau preferences. This new form of review is also a means for addressing the “advocacy problem” that exists since the agency doesn’t have a consistently strong means to communicate its story well to the outside. Some avenue where AID/EE is able to proactively set an agenda and communicate its story to key stakeholders such as the Hill, OMB, NSC and State on our terms, would definitely be beneficial on many levels:

- 1) Opportunity to brief key Washington stakeholders on current country issues.
- 2) Meetings would be extremely helpful for budget purposes.
- 3) Opportunity to work out current issues with primary decision-makers.
- 4) Eliminate ad hoc reporting requests since extensive, timely country specific information would be available.

Communication is definitely an area needing improvement, so this recommendation could resolve some of the information sharing issues. Although extensive reports and information exist in Washington from Mission data collections, there is always concern whether it's the most current information.

Although many expressed reservations that these new annual "country team meetings" could eventually turn into formal annual reporting requirements, the concept has merit and should be considered as a way to facilitate timely communications on country specific issues to all interested parties.

### **Washington-Field Relations**

#### **Plenary Brainstorm and Discussion**

Facilitators: Karen Hilliard (EE/PCS) and Janet Kerley (EE/PCS)

The final conference session focused on Washington-field relations and how they could be improved. Field staff concerns were solicited, listed, and then a number of them were discussed. Overall, relations between E&E and the field appeared very positive. There was concern though about demands on the field created by direct approaches for information from staff in the Coordinators office, particularly information that was already available in Washington.

Major issues raised:

#### **1. Ad hoc reporting**

Many requests for information cover subjects already reported on in earlier documents. Washington needs to find a better way to share the information it already has. Since all financial information is in Washington, no taskers should go out requesting information on financial issues without checking with Budget people first. Field also requests Washington to exert better discipline in putting out taskers and to advise all the necessary people back in Washington to avoid multiple taskers around the same issue. Everyone agreed more discipline from the Coordinator's office would be desirable. Participants suggested that EUR/ACE put together a calendar of the standard information requests for the year and circulate. Short turn around time on Washington taskers is a major issue. Some basic bureau rules for taskers to the field might help. (For example: establish source of tasker to confirm credibility; assess the real need for information being requested against the realities of the calendar; make explicit how the information will be used.)

Washington participants advised that when a tasker is received, the field is welcome to tell E&E where the information already exists, although frequently that needs to be updated. EE/PCS also agreed to remind the Coordinator's office to go through the E&E bureau when seeking information rather than to contact the field directly. [ACE was so advised and agreed to be mindful of this.]

## 2. Staffing

A number of related issues were raised. These included the need to pay particular attention to providing support for small missions, the need for continued and expanded training opportunities for FSNs and PSCs (especially those new to USAID), the need to make EE/W more accessible to FSNs (some cited previous discouragement of FSN TDYs to EE/W because of RRB access problems), and the particular need for more experienced project develop officers in the field, perhaps in a regional office where they could serve several missions.

Missions universally viewed staffing issues as crucial. Until the staffing gap can be closed through recruitment and deployment of FS officers, better coordination of TDY assistance for PO/PDO and technical work is needed. This is especially critical for small missions. What kind of assistance can be provided from the RSC? (Currently it's legal, financial, and contracts. It's not clear the RSC will have the manpower to provide all the services required by missions because the Ambassador, using NSDD 38 authority has limited staff size, nor does it provide necessary support to Eurasia.) As for FSN travel to Washington, PCS welcomes such travel and will be happy to work with E&E desks to make such TDYs by FSNs productive.

## 3. Washington responsibilities and field support

A number of related concerns were voiced. These included concern over the availability of technical support and the implications for that of reorganization, a concern that while "POTs" might no longer be practical (and may never have been a useful concept for the field), coordinated analytical capability requirements would remain and need to be supplied; and the need for clarity of responsibilities between desks, PCS, OM, and technical staff that might remain in E&E. There was no easy immediate resolution to these concerns though PCS will attempt to ensure a better definition of responsibilities once the results of the reorganization are known.

## 4. Sharing Lessons Learned

In this session and other conference sessions participants voiced the need to share lessons learned both in program development and implementation and in meeting program office requirements. To further this, there was resounding support for more frequent conferences of program officers. One suggestion from the field was that there needed to be more mission-to-mission exchanges.

## 5. Earmarks

How are earmarks allocated and tracked? There appears to be a disconnection between the actual earmark and the allocation of that earmark to the field. It was noted that Monique Nowicki (EE/PCS) and the budget planners are trying to set-up a system. It was suggested that this system incorporate health earmarks, as well. E&E/PCS should layout the whole budget, including earmarks, to the field.



**Program Officers Conference  
Marriott Hotel – Budapest Hungary**

**March 6 – 8, 2002**

**Tuesday, March 5:**

6:00 – 8:00 p.m. Get acquainted happy hour(s) at Marriott, **Erzsebet Room**  
(Cash bar)

**Wednesday, March 6: Day One**

Introduction to the Conference

**Arpad Room**

8:45-9:15      Welcome and Overview  
                 ■ Greetings from RSC, Bambi Arellano  
                 ■ Conference Logistics, Aniko Varadi  
                 ■ Introductory remarks, Dianne Tsitsos  
                 Participant introductions

E&E Goals for the New Millennium

Summary: Participants will reexamine E&E goals and objectives in light of a variety of factors: country progress, foreign policy interests, Administration priorities, and shifts in funding trends. Outcome: recommended revisions to E&E's strategic framework for broader consideration in the Bureau, Agency, and State Department.

9:15-9:25      Introduction to the day's topic - Sherry Grossman  
                 Note taker day 1 – Janet Kerley

9:25-11:00      Status of the Transition - Ron Sprout

Plenary presentation and discussion on the most recent findings of Monitoring Country Progress. (Participants will have an opportunity to analyze cross-country trends in economic democratic reforms, select social conditions, and macroeconomic performance and discuss potential program implications.)

11:00-11:20      Coffee Break - **Arpad Foyer**

11:20-12:30      Foreign Policy and Administration Priorities – Dianne Tsitsos, Skip Waskin

Field/Washington panel discussion

Earl Gast, Babette Prevot, Ivanka Tzankova, Skip Waskin  
Moderator: Dianne Tsitsos

12:30-1:30 Set Lunch at Marriott

1:30-5:00 Implications for the E&E Strategic Framework - Catherine Balsis

- Plenary overview of resource allocation trends relative to existing SO structure
- Working groups discuss E&E goals and make recommendations for reformulating the E&E strategic framework. (1-1/2 hours)
  - Economic Transition - **Arpad Room**
  - Social Transition - **Arpad Room**
  - Democracy Transition - **Margit Room**
  - Integrating Cross-cutting Themes - **View Room**
- Plenary: group presentations, discussion, next steps

5:00 - 5:15 Wrap-up - Sherry Grossman and Janet Kerley

Evening: Open

### **Thursday, March 7: Day Two** **Arpad Room**

#### ***Requirements and Reality: Lessons Learned from the Field – Jeff Evans***

USAID policy, reflected in the ADS, identifies requirements for strategy development, activity approval, performance monitoring plans, and teams. In four sessions, the conference will discuss how these requirements are being met, whether there are best practices that should be shared more widely throughout E&E (or outside E&E), and whether changes in the ADS would be appropriate given field experience. Day 2 will end with a series of discussion groups on various topics.

Field/Washington Panels

Note taker

08:45 - 10:15 Strategy Development – Chris Edwards, Ivanka Tzankova,  
Brad Fujimoto Alonzo Fulgham  
Moderator, Karen Hilliard

R. Loudis

10:15 - 10:35 Coffee Break - **Arpad Foyer**

10:35 - 12:00 Activity Approval - Charles North, Ellen Leddy, Jack Winn  
Moderator, John Morgan

K. Hilliard

12:00 – 1:30 Lunch

- 1:30 – 2:45 Performance Monitoring Plans – Jim Bonner, Babette Prevot,  
Roslyn Waters-Jensen R. Sprout  
Moderator, Richard Loudis
- 2:45 – 3:05 Coffee Break - **Arpad Foyer**
- 3:05 – 4:15 Teams - Bill McKinney, Florentina Tautu, S.K. Reddy S. Ouellette  
Moderator, Alonzo Fulgham
- 4:15 – 5:15 Discussion groups (breakouts)
- a. conflict resolution – Karen Hilliard - **Arpad Room**
  - b. anti-corruption – Richard Loudis - **Margit Room**
  - c. evaluations – Janet Kerley - **Corner Suite**
- 7:00 – 8:00 Program Officers Reception at the Marriott with Kent Hill  
**Margit Room**

**Friday, March 8: Day 3**  
**Arpad Room**

- 08:45 Introduction to Day 3 – Dianne Tsitsos
- 08:50 – 10:30 Dr. Kent R. Hill, AA/E&E Note taker: C. Balsis  
Remarks and Discussion
- 10:30 – 10:50 Coffee Break - **Arpad Foyer**
- 10:50 – 12:00 The Budget Process: Planning and Execution  
Susan Ouellette Note taker: Pat Brown
- 12:00 – 1:30 Lunch
- 1:30 – 3:00 Reporting and Review - Making the Process Meaningful  
Panel Discussion: Moderator, Sherry Grossman  
Panelists: Skip Waskin, Earl Gast, Clay Epperson, Charles North  
Note taker: S. Ouellette
- 3:00 – 3:20 Coffee Break - **Arpad Foyer**
- 3:20 – 5:00 Washington - Field Relations  
Karen Hilliard, Janet Kerley Note taker: C. Balsis
- 5:00 Conference wrap up – Dianne Tsitsos
- 7:30 Dinner with Kent Hill - Venue TBD

## **Program Officers Conference Attendance**

Albania	Jim Bonner, Ilirjana Dana
Armenia	Marvin Dreyer, Tracy Thoman, Christina Hakobyan, Barry Primm
Azerbaijan	Bill McKinney
Belarus	Larissa Komarova
Bosnia	Ellen Leddy, Kasey Vannett, Ela Challenger
Bulgaria	Ivanka Tzankova, Katia Alexieva, John Morgan
CAR	Babette Prevot, Robert Birkenes, Guliya Yessengali
Croatia	Clay Epperson, Ksenija Zarkovic
Georgia	Earl Gast, S.K.Reddy
Hungary	(depended on topic)
Kosovo	Jack Winn, Albana Vokshi
Macedonia	Brad Fujimoto, Tatjana Trajkovski
Moldova	Marina Panciuc
Romania	Roslyn Waters-Jensen, Florentina Tautu
Russia	Charles North, Nadezhda Mikhnova
Serbia	Alonzo Fulgham, Gene Szepesy, Adriana Lazinica
Ukraine	Chris Edwards, Stella Roudenko, Oksana
-	Litvinovska, Bill Penoyar
E&E/W	Dianne Tsitsos Sherry Grossman Karen Hilliard Richard Loudis Susan Ouellette Pat Brown Catherine Balsis Jeff Evans Janet Kerley Ron Sprout
PPC	Leon (Skip) Waskin

## **Program Officer Conference Highlights - March 6 - 8, 2002**

Presented below are some of the key points arising from the conference. These are not all-inclusive and readers are referred to the full discussion under each topic for a more complete record of what transpired.

### **Country Progress in Central and Eastern Europe (CEE) & Eurasia**

The "transition story" is relatively simple on the broadest level of analysis. Two multidimensional transition paths exist. The "western" path, found largely among the northern tier CEE countries, is leading towards a transition end. No country has completed the transition, though Hungary comes closest. The "alternative" path is found primarily among the Eurasian countries. At best, the transition laggards of Eurasia may be decades away from the northern tier CEE leaders; at worst, the two transition paths may never "meet." Not all the experiences of the 27 transition countries neatly fall into these two transition paths, and, in fact, the evidence is much more mixed in this regard in most of the southern tier CEE countries.

Even USAID's graduate countries have far to go on some scores before they reach Western European norms. Moreover, progress in reforms tends not to be linear. Hence, extrapolating the future from existing trends can be precarious.

While many agreed that we need to look for alternative solutions based on the aforementioned country progress trends, there was not an overwhelming consensus to retool USAID's portfolio.

### **Implications for the E&E Strategic Framework**

Four breakout groups considered possible changes to the E&E strategic framework based on progress to date and foreign policy and administration goals.

#### Cross-cutting

It was generally agreed that a crosscutting theme represents a critical hypothesis to achieving other strategic objectives and that it needs to be addressed by more than one SO.

Major crosscutting issues in the E&E program include: corruption; trafficking; terrorism; conflict; equity; lack of rule of law; youth; under employment; education and human capital; pension reform; multiple governing entities (centrifugal political forces); and gender.

Of these, the most critical themes for the E&E program are anti-corruption; conflict mitigation/prevention (including equity, ethnic harmony, and minority rights); rule of law; and education and the "brain drain" of youth.

The group viewed crosscutting themes as the invisible line that connects other issues and objectives. Consequently, they are embedded in a variety of activities and cannot be treated as separate SOs in the E&E menu.

### Social

The group agreed that new (and disturbing) social trends are emerging in most E&E countries, necessitating the inclusion of social sector programs in country strategies. Trends include: declining education enrollment and standards (affecting youth and human capital more generally); declining living standards and widespread poverty; rising unemployment (which increases poverty, inequality, hopelessness, isolation, and the potential for conflict); declining health status; and increasing number of vulnerable groups.

SO 3.2 (health): a better wording of the SO should be considered to include healthy lifestyles (including youth, sports, HIV, family planning).

SO 3.4 (mitigation of adverse impacts): The wording of this SO should be reconsidered to include development as well as transition activities. Since many of the emerging social trends are incorporated under this SO, guidelines should be flexible and allow missions to establish individual elements of SO 3.4 as separate SOs, if needs and funding warrant it. [FYI: EE guidelines already permit operating units to have objectives narrower than the framework objective.] The group also recommended expanding the elements under this SO: education/human capital (quality, relevancy, enrollment); unemployment (especially among youth); poverty (income levels and deteriorating living standards); vulnerable groups (children, youth, rural population, trafficking, pensioners); young leaders (need to create); and conflict prevention (addressing the root causes).

### Democracy:

There was general agreement that E&E needs to expand its understanding of democracy. Some key concepts included: separation and balance of power; power sharing among the various parts of society, beyond elections; establishing a “level playing field,” with equal access to political and economic decision-making; equal opportunity – real choice and making all voices effectively heard; the right to associate, which is more than building NGOs ; and public education.

The group recommends a broader goal statement (e.g., to foster democratic societies and institutions) and a broader set of activities funded under this rubric. SO statements need to be re-examined to emphasize people level impact and to take a better look at how governments may be failing their citizens. Major issues, such as conflict, need to be included. The separate roles and responsibilities and the “interface” of government, business, and NGOs must be emphasized in strengthening “Governance.” While we work in each of these areas, we overlook the areas where they need to come together.

## Economic:

The working group agreed that a stronger focus on people-level impact needed to be integrated into the framework. They recommended a restatement of the SAA 1 goal: "A competitive, market-oriented economy in which economic growth is broad-based and will benefit the majority of the population" and that under SO 1.3, a stronger emphasis should be placed on human capacity development, especially for youth, entrepreneurial training and business skills.

## **Requirements and Reality: Lessons Learned from the Field**

Four panels considered important facets of program office work in the field.

### **Strategy Development Panel**

It was noted that most Missions are doing full sustainable development plans, that many Missions are consolidating SOs; that strategies are increasingly coming under OMB scrutiny; and that resource levels are changing rapidly.

A panelist noted that a good strategy depends on good sector analysis, understanding our national interests, a clear results framework, and AID/W's ability to provide needed TDY support. Another thought that strategies lack sufficient discussion/background about the country per se, and that the analysis lacks rigor. In discussion it was also mentioned that if we have a transition objective, we'll need 10 to 15 years – but we cannot plan to be in a country for even 5-10 years. On the SEED side in particular there is a graduation push. Given the uncertainty, a case was made for doing only interim strategies. Others noted, however, that if there's a move towards interims, we need to streamline the guidance.

Discussion then turned to "Purposes of a strategy". It was noted that a strategy helps to make choices, keep focus, organize reporting, provide a filter for and, therefore, reduce some unsolicited proposals, gives us more authority in dialogue with STATE.

Concluding points were that the best strategy is one that is used, and that if used well, it is a way of bringing a Mission together as a team.

### **Activity Approval Panel**

The approval process in the field varies in complexity depending on the management style of the Director and the level of expertise/experience of the staff. There is, unfortunately, a tendency to manage down to the lowest common denominator. In other words, Mission management has tended to ratchet up the requirements for documentation and the level of scrutiny of the design process in order to ensure adequate oversight of the weaker officers/offices.

There was consensus that while Mission procedures, as reflected in Activity Approval Mission Orders should adhere to the ADS, unnecessary paperwork should be minimized.

Many attributed the excessive documentation requirements to fear of audits on the part of Mission management but cited that this fear was probably exaggerated.

One concrete suggestion that emerged from the session was that the issue might lie in how each Mission defines “activity”. The higher/broader you go in the results framework, the more complex the design should be. For example, if a Mission pitched the activity approval function at the IR level, then activity designs could cover multiple procurements. A broad activity approval document signed by the Director could obviate the need for the Director sign every MAARD and, therefore, encourage delegation.

Many participants saw the need for more PDO training for U.S. and local staff.

### **Performance Monitoring Plans Panel**

A key observation was that PMPs do serve (or at least can serve) a useful purpose. This applies to both the process of developing one (getting all the "stakeholders" together and hopefully getting "buy-in" to the process), as well as the actual product.

In this context, however, there is considerable scope for improvement and for increasing the utility of PMPs, both as management and reporting tools. When queried, no mission was able to say that they have had in place over the past two years a fully-developed PMP, with completed and set targets for which progress data has been collected.

How can the process and product be improved? PMPs need not be a burden. Clearly, there is a need to keep it simple, and to find a balance between what is practical (and low-cost), and what is useful. We need to recognize that developing a PMP is more art than science. It is important to maintain the same indicators and targets. Targets that keep changing cannot provide an assessment of impact over time; continually "tweaking" the PMP is only counterproductive. It is also important to keep the costs down by: building the costs in contracts to measure results at the lower level; and using proxies if necessary at higher level results.

Contractor help in developing the PMP is key, though so is close cooperation and involvement on the part of the mission in the process. Mission experience with Price Waterhouse Coopers has generally been favorable, though it is important to develop a tight scope of work, as well as closely screen the proposed consultants.

### **Teams Panel**

The overall conclusion of the session was that SO teams are useful and depend greatly on the management approaches of the Mission Director and senior staff rather than any ADS requirement; that empowerment of all staff and particularly FSN staff was very important and could be accomplished with or without teams; and that while the team concept should be retained and promoted, the mandatory ADS requirements regarding teams should become suggestions and best practices, not requirements.



There was group consensus that teams will always exist since they are needed for successful working relationships; however, the formalization of teams can be challenging, and oftentimes creates structural barriers that are difficult to work with.

Everyone agreed that teams were vital to the organizational structure, but the formality and structure should depend on the situation and preferences of the Mission. The ADS policy on teams should not be interpreted rigidly, but rather as flexible guidelines to assist Missions in their teamwork performance.

## **Discussion Groups**

### **Conflict Resolution**

Several missions noted that a conflict strategy was at least implicit throughout their portfolio, and that the identification of conflict "triggers" tended to be intuitive; there was some skepticism, in other words, of the value added of a more formalized/explicit conflict analysis and strategy.

Concern was raised as to whether greater, more explicit focus on conflict analysis and resolution was necessarily in USAID's manageable interest. Part of this concern centered on USAID's role vis-à-vis the State Department and the U.S. country team. Taking a more prominent role in conflict may step on Ambassadors' toes, and could invite some backlash from State.

While USAID is not able to single-handedly resolve conflicts, greater efforts to try to mitigate or influence conflict are certainly in our manageable interest. Greater efforts at donor coordination are key here. In concert with other donors, conflict mitigation certainly in our manageable interest.

### **Anti-Corruption**

Richard Loudis briefed attending program officers on the task force analysis and on tactical approaches SO team leaders could employ. He mentioned TAPE (Transparency, Awareness, Prevention, Enforcement) and C=M+D-A (Corruption = Monopoly + Discretion - Accountability) and said that either could probably work - as there was a cross-walk between the two paradigms.

### **Evaluation**

Participants raised a key problem in how to ensure the credibility and usefulness of evaluation exercises. How can program officers access the best in terms of evaluation designs and individuals to carry out the evaluation? Evaluators are not necessarily "risk takers," particularly when technical offices are managing the evaluation, or the evaluators have a vested interest in the sector or future work. Often, we run into situations where evaluators tell us what we know or what we want to know.

Some possible solutions include developing a rigorous scope of work, getting the mission on board with the methodology, and asking probing questions to the evaluation team mid-way through the evaluation exercise. When time permits, competing the evaluation SOWs will also ensure a better methodology. The program officer has to act as the honest broker and build consensus internally for the need and the scope of work. If hidden agendas persist, POs should have the authority to stop a useless evaluation exercise.

### **Dr. Kent R. Hill: Remarks and Discussion**

Readers are referred to the full summary of Dr. Hill's comments.

### **The Budget Process: Planning and Execution**

Susan Ouellette provided a power point presentation explaining the budget process and Pat Brown participated with an explanation of budget planning for both AEEB and FSA funds.

The response from the several people was that more time was needed for Budget Planning and Implementation. More time is definitely need with Budget!

### **Reporting and Review**

There was a wide range of feedback on the AR with mixed perceptions about its ultimate usage and applicability. Several conference participants noted the guidance was too lengthy and needed some streamlining and clarification. There were some misperceptions about the reporting guidelines where some operating units or SO teams felt constricted in addressing all of the SO results. Several program officers expressed frustration over the budget tables and the new database, while many participants indicated the instructions were not sufficient to accurately complete the tables. On a positive note, some perceived the new AR as an improvement over prior years since there was more flexibility and less structure to the narrative sections. Missions were able to craft a “story telling” description of their program performance and indicators. However, there was concern that future efforts to expand the AR would lead to more of a rigid structure and expanded reporting requirements.

Possible new review venues and timeframes for full program reviews were discussed. Since the three-year strategy update reporting is not sufficient to keep Washington well-informed on country program progress, there is a perceived need for a formalized review. In addition, the State Department Coordinators (EUR/ACE) have expressed a strong desire for some sort of substantive, yet concise, annual review. At a minimum, there should be some opportunity to keep all stakeholders well informed to discuss relevant country issues. PPC's annual reporting requirements are minimal and the structure is optional depending on Bureau preferences. This new form of review is also a means for addressing the “advocacy problem” that exists since the agency doesn't have a consistently strong means to communicate its story well to the outside. Some avenue

where AID/EE is able to proactively set an agenda and communicate its story to key stakeholders such as the Hill, OMB, NSC and State on our terms, would definitely be beneficial on many levels.

### **Washington-Field Relations**

Overall, relations between E&E and the field appeared very positive. There was concern though about demands on the field created by direct approaches for information from staff in the Coordinators office, particularly information that was already available in Washington.

A number of staffing-related issues were raised. These included the need to pay particular attention to providing support for small missions, the need for continued and expanded training opportunities for FSNs and PSCs (especially those new to USAID), the need to make EE/W more accessible to FSNs (some cited previous discouragement of FSN TDYs to EE/W because of RRB access problems), and the particular need for more experienced project develop officers in the field, perhaps in a regional office where they could serve several missions.

In this session and other conference sessions participants voiced the need to share lessons learned both in program development and implementation and in meeting program office requirements. To further this, there was resounding support for more frequent conferences of program officers. One suggestion from the field was that there needed to be more mission-to-mission exchanges.